



6714-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION

Agency Information Collection Activities: Proposed Collection Renewal; Comment Request (OMB No. 3064-0046; -0113; and -0169)

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice and request for comment.

SUMMARY: The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to take this opportunity to comment on the renewal of the existing information collections described below (3064-0046; -0113; and -0169).

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *<https://www.FDIC.gov/regulations/laws/federal>.*
- *Email: comments@fdic.gov.* Include the name and number of the collection in the subject line of the message.

- *Mail:* Manny Cabeza (202-898-3767), Counsel, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Manny Cabeza, Counsel, 202-898-3767, mcabeza@fdic.gov, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Proposal to renew the following currently approved collection of information:

1. Title: Home Mortgage Disclosure (HMDA).

OMB Number: 3064-0046.

Form Number: None.

Affected Public: Insured state nonmember banks.

Burden Estimate:

Summary of Annual Burden

Information Collection (IC) Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response (Minutes)	Frequency of Response	Total Estimated Annual Burden (Hours)
<i>Full Data Set</i>							
Home Mortgage Disclosure	Reporting	Mandatory	650	1,400	5	On Occasion	75,833
	Recordkeeping	Mandatory	650	1,400	5	On Occasion	75,833
<i>Partial Data Set</i>							
Home Mortgage Disclosure	Recordkeeping	Mandatory	1,200	200	2.5	On Occasion	10,000
	Reporting	Mandatory	1,200	200	2.5	On Occasion	10,000
Total Estimated Annual Burden Hours							171,667¹

General Description of Collection:

The Board of Governors of the Federal Reserve System promulgated Regulation C, 12 CFR Part 203, to implement the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. § 2801-2810. Regulation C requires depository institutions that meet its asset-size threshold to maintain data about home loan applications (the type of loan requested, the purpose of the loan, whether the loan was approved, and the type of purchaser if the loan was later sold), to update the information quarterly, and to report the information annually. The Home Mortgage Disclosure Act and Regulation C now come under the authority of the Consumer Finance Protection Bureau (CFPB).

Pursuant to Regulation C, insured state-nonmember banks supervised by the FDIC with assets over a certain dollar threshold must collect, record, and report data about home loan applications.² For 2017 transactions, 1,865 FDIC-supervised institutions reported

¹ The one-hour difference in the Total Estimated Annual Burden Hours is due to rounding.

² Regulation C, 12 CFR Part 1003, Home Mortgage Disclosure, <https://www.govinfo.gov/content/pkg/CFR-2018-title12-vol8/pdf/CFR-2018-title12-vol8-part1003-appA.pdf>.

under HMDA; 1,217 of these institutions were small entities.^{3 4} For transactions beginning in 2018, the set of data fields to be reported under HMDA was expanded. Institutions that meet certain criteria are partially exempt from reporting certain data fields.⁵ To estimate the number of Full and Partial filers for 2018, subject matter experts (SMEs) in the Division of Consumer Protection (DCP) examined 2016 and 2017 data collected under HMDA, as well as preliminary data for 2018. Results from this analysis indicate that for 2018 data, there were roughly 650 and 1,200 respondents to the Full and Partial reporting requirements of this information collection, respectively. The frequency of responses was estimated by taking the total number of Full and Partial disclosure filings and dividing that number by the number of respondents.⁶

The frequency of response is ‘on occasion’, which remains unchanged from the 2016 ICR.⁷ Due to an increase in the number of required items, the estimated time per response for the Full Data loan disclosure form will increase from 5 minutes to 10 minutes. The estimated time per response for the Partial Data loan disclosure form will remain unchanged at 5 minutes. For both the Full and Partial loan disclosure, the estimated burden is divided equally among reporting and recordkeeping.

³ The SBA defines a small banking organization as having \$550 million or less in assets, where “a financial institution’s assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See 13 CFR 121.201 (as amended, effective December 2, 2014). “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” See 13 CFR 121.103. Following these regulations, the FDIC uses a covered entity’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the covered entity is “small” for the purposes of RFA.

⁴ Call Report, December 31, 2017.

⁵ Interpretive and Procedural Rule, Partial Exemptions from the Requirements of the Home Mortgage Disclosure Act under the Economic Growth, Regulatory Relief, and Consumer Protection Act (Regulation C), 83 FR 45325 <https://www.federalregister.gov/documents/2018/09/07/2018-19244/partial-exemptions-from-the-requirements-of-the-home-mortgage-disclosure-act-under-the-economic>

⁶ 910,000 Full Data disclosures ÷ 650 respondents = 1,400 disclosures per respondent.

240,000 Partial Data disclosures ÷ 1,200 respondents = 200 disclosures per respondent.

⁷ See https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201512-3064-006

2. Title: External Audits.

OMB Number: 3064-0113.

Form Number: None.

Affected Public: All insured financial institutions with total assets of \$500

million or more and other insured financial institutions with total assets of

less than \$500 million that voluntarily choose to comply.

Burden Estimate:

Summary of Annual Burden

Information Collection (IC) Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response (Hours)	Frequency of Response	Total Estimated Annual Burden (Hours)
<i>FDIC Supervised Institutions with \$10 Billion or More in Total Assets</i>							
Annual Report	Recordkeeping	Mandatory	28	1	150	Annually	4,200
	Reporting	Mandatory	28	1	150	Annually	4,200
Audit Committee Composition	Recordkeeping	Mandatory	28	1	3	Annually	84
	Reporting	Mandatory	28	1	3	Annually	84
Filing of Other Reports	Recordkeeping	Mandatory	28	1	.125	Annually	3.5
	Reporting	Mandatory	28	1	.125	Annually	3.5
Notice of Change in Accountants	Recordkeeping	Mandatory	7	1	.25	Annually	1.75
	Reporting	Mandatory	7	1	.25	Annually	1.75
<i>FDIC Supervised Institutions with \$10 Billion or More in Total Assets</i>							8,578.5
<i>FDIC Supervised Institutions with \$3 Billion to \$10 Billion in Total Assets</i>							
Annual Report	Recordkeeping	Mandatory	98	1	125	Annually	12,250
	Reporting	Mandatory	98	1	125	Annually	12,250
Audit Committee Composition	Recordkeeping	Mandatory	98	1	3	Annually	294
	Reporting	Mandatory	98	1	3	Annually	294
Filing of Other Reports	Recordkeeping	Mandatory	98	1	.125	Annually	12.25
	Reporting	Mandatory	98	1	.125	Annually	12.25
Notice of Change in Accountants	Recordkeeping	Mandatory	25	1	.25	Annually	6.25
	Reporting	Mandatory	25	1	.25	Annually	6.25
<i>FDIC Supervised Institutions with \$3 Billion to \$10 Billion in Total Assets</i>							25,125
<i>FDIC Supervised Institutions with \$1 Billion to \$3 Billion in Total Assets</i>							
Annual Report	Recordkeeping	Mandatory	225	1	100	Annually	22,500
	Reporting	Mandatory	225	1	100	Annually	22,500

Audit Committee Composition	Recordkeeping	Mandatory	225	1	2	Annually	450
	Reporting	Mandatory	225	1	2	Annually	450
Filing of Other Reports	Recordkeeping	Mandatory	225	1	.125	Annually	28.125
	Reporting	Mandatory	225	1	.125	Annually	28.125
Notice of Change in Accountants	Recordkeeping	Mandatory	56	1	.25	Annually	14
	Reporting	Mandatory	56	1	.25	Annually	14
<i>FDIC Supervised Institutions with \$1 Billion to \$3 Billion in Total Assets</i>							45,984.25
<i>FDIC Supervised Institutions with \$500 Million to \$1 Billion in Total Assets</i>							
Annual Report	Recordkeeping	Mandatory	401	1	12.5	Annually	5,012.5
	Reporting	Mandatory	401	1	12.5	Annually	5,012.5
Audit Committee Composition	Recordkeeping	Mandatory	401	1	1	Annually	401
	Reporting	Mandatory	401	1	1	Annually	401
Filing of Other Reports	Recordkeeping	Mandatory	401	1	.125	Annually	50.125
	Reporting	Mandatory	401	1	.125	Annually	50.125
Notice of Change in Accountants	Recordkeeping	Mandatory	100	1	.25	Annually	25
	Reporting	Mandatory	100	1	.25	Annually	25
<i>FDIC Supervised Institutions with \$500 Million to \$1 Billion in Total Assets</i>							10,977.25
<i>FDIC Supervised Institutions with Less Than \$500 Million in Total Assets</i>							
Filing of Other Reports	Recordkeeping	Mandatory	3,291	1	.25	Annually	822.75
	Reporting	Mandatory	3,291	2	.25	Annually	1,645.5
<i>FDIC Supervised Institutions with \$500 Million to \$1 Billion in Total Assets</i>							2,468.25
Total Estimated Annual Burden							93,133.25

General Description of Collection:

FDIC's regulations at 12 CFR part 363 establish annual independent audit and reporting requirements for financial institutions with total assets of \$500 million or more. The requirements include the submission of an annual report on their financial statements, recordkeeping about management deliberations regarding external auditing and reports about changes in auditors. The information collected is used to facilitate early identification of problems in financial management at financial institutions.

3. Title: Qualifications for Failed Bank Acquisitions.

OMB Number: 3064-0169.

Form Number: None.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

Summary of Annual Burden

Information Collection (IC) Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response (Hours)	Frequency of Response	Total Estimated Annual Burden (Hours)
Section D – Investor Reports on Affiliates	Reporting	Mandatory	3	12	2	On Occasion	72
Section E – Maintenance of Business Books and Records	Recordkeeping	Mandatory	3	4	2	On Occasion	24
Section I – Disclosures Regarding Investors and Entities in Ownership Chain	Reporting	Mandatory	3	4	4	On Occasion	48
Total Estimated Annual Burden Hours							144

General Description of Collection:

The FDIC's policy statement on Qualifications for Failed Bank Acquisitions provides guidance to private capital investors interested in acquiring or investing in failed insured depository institutions regarding the terms and conditions for such investments or acquisitions. The information collected pursuant to the policy statement allows the FDIC to evaluate, among other things, whether such investors (and their related interests) could negatively impact the Deposit Insurance Fund, increase resolution costs, or operate in a manner that conflict with statutory safety and soundness principles and compliance requirements.

According to data from FDIC Call Reports, there were eight (8) bank failures in 2015, five (5) failures in 2016, eight (8) failures in 2017, and zero bank failures in 2018 and the first five months of 2019. This is an average of fewer than 5 bank failures per year.

Based on this recent data, the declining trend in failures, and the improvement in bank financial conditions, the FDIC believes that it is appropriate to reduce the expected number of respondents for Sections D and I from 10 per year to 3 while keeping the expected number of respondents at 3 per year for Section E.

The estimated total number of hours per respondent, per year will remain unchanged at 48 hours. The 48 hours is comprised of 12 monthly reports of two hours each for Section D, four quarterly reports of two hours each for Section E, and four quarterly reports of four hours each for Section I. Thus the total estimated annual burden for the ICR is 144 hours as reflected in the table above. This represents a reduction of 280 hours from the 2016 estimate of 424 hours.

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, on July 9, 2019.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

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